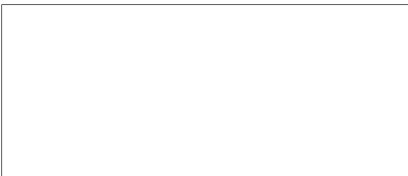


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3 September 1960



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CENTRAL INTELLIGENCE BULLETIN

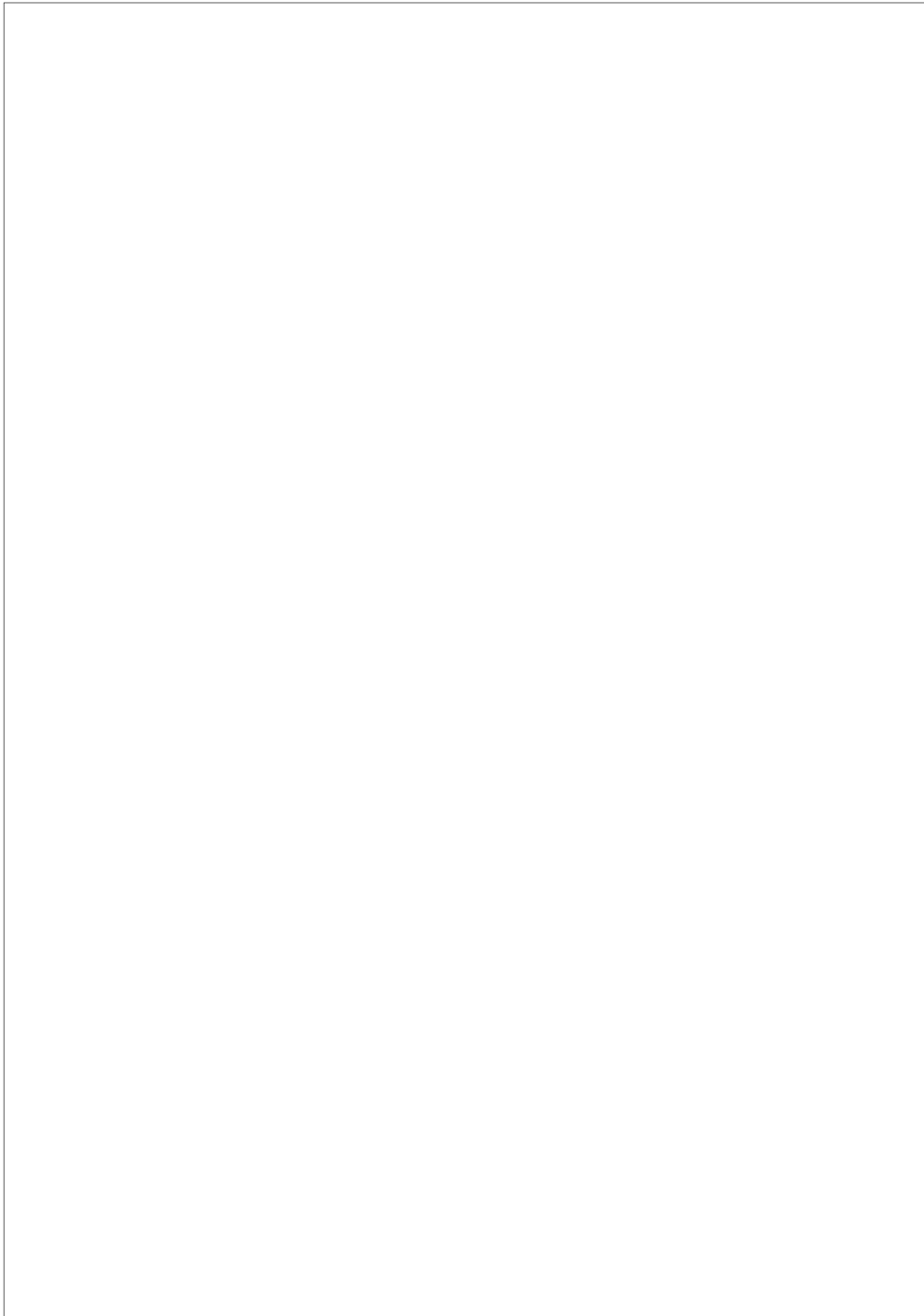


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3 SEPTEMBER 1960

I. THE COMMUNIST BLOC

East German authorities continue stringent border checks; Communist hecklers may attempt to disrupt 4 September meeting in West Berlin.

Khrushchev has attempted to assure presence of Western Big Three leaders at UN General Assembly and has also urged Nehru to attend.

USSR apparently readying for another space vehicle launching.

II. ASIA-AFRICA

Middle East--High-level group formulating unified Arab-Venezuelan-Iranian action plan against Western oil companies.

Iranian opposition elements elated at prospects of new elections.

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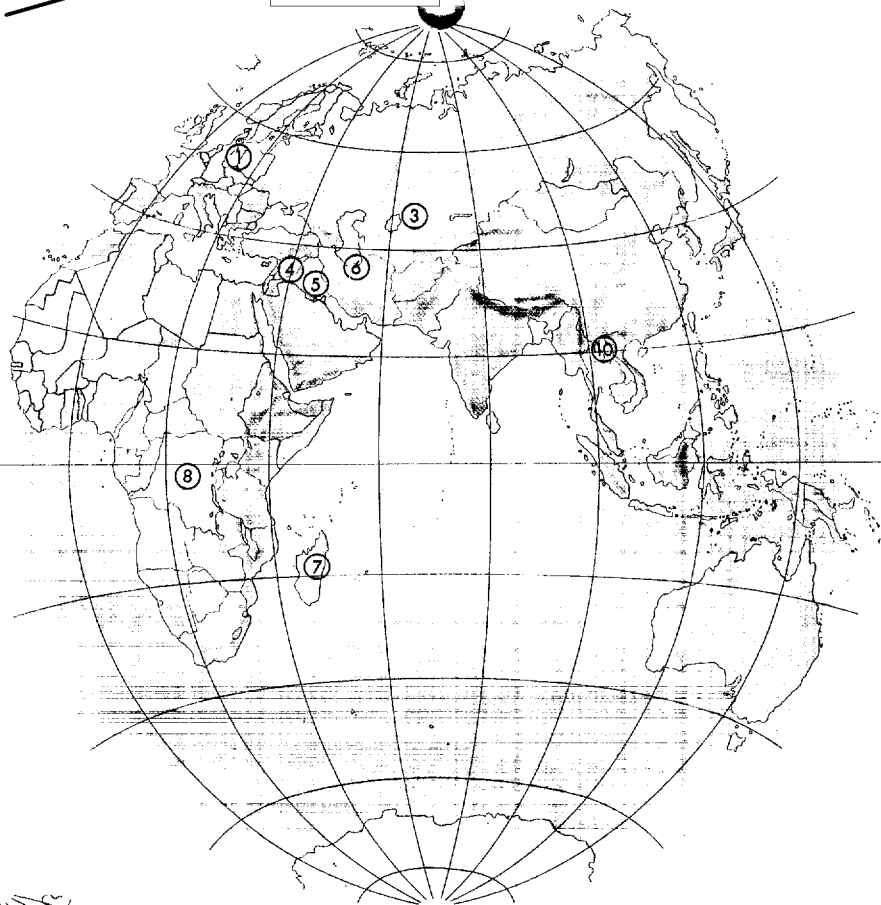
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⑦ Malagasy--Parliamentary elections on 4 September to provide first test of strength between pro-Western government and Communist-dominated Congress party.

⑧ Situation in the Congo.

III. THE WEST

⑨ Peru considering breaking relations with Cuba.

LATE ITEMS

⑩ Situation in Laos.

⑪ Cuba to recognize Communist China.

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CENTRAL INTELLIGENCE BULLETIN

3 September 1960

DAILY BRIEF

I. THE COMMUNIST BLOC

Berlin: No serious incidents have been reported on access routes to West Berlin, although East German authorities are continuing stringent checks of West German road and rail travelers at the East-West German border and at the East-West sector boundary within the city. As yet there has been little East German reaction to the offer, made by West Berlin city authorities on 1 September and backed by Bonn, to assume the costs of air transport to the city for any West Germans prevented by the East Germans from making the trip overland. The West Berlin police have reported that East German authorities are planning to send Communist hecklers to disrupt the West German meeting scheduled for 4 September to commemorate the "Day for Nations Behind the Iron Curtain." [REDACTED] *no*

[REDACTED]

USSR-UN: Prior to the announcement that Khrushchev would head the Soviet delegation to the UN General Assembly, Deputy Minister Kuznetsov on three separate occasions attempted to persuade Hammarskjold to issue invitations to President Eisenhower, Macmillan, and De Gaulle, as well as Khrushchev. Khrushchev has also written to Nehru urging him to attend. These overtures probably reflect Khrushchev's desire to use his UN appearance to underscore his commitment to a policy of coexistence and high-level talks with free-world leaders, particularly on disarmament. [REDACTED] *no*

[REDACTED]

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USSR: [Recent Soviet aircraft activity suggests that another launching may occur soon on the Tyura Tam Missile Test Range.

[These activities suggest a forthcoming attempt to launch a space vehicle at Tyura Tam, with objectives similar to those of Sputnik V, which was an important step in the Soviet space program, whose objective is to launch man into space and effect safe recovery.]

no

II. ASIA-AFRICA

Middle East Oil: In an atmosphere of secrecy, Sheik Abdullah Tariki, Saudi oil boss, and Antonio Araujo, Venezuelan ambassador to Cairo, Baghdad, and Jidda, have apparently set up a high-level meeting in Baghdad on 10 September to formulate a unified Arab-Venezuelan-Iranian plan of action against many present policies of Western oil companies.

no

[] Juan Perez Alfonzo, Venezuelan minister of mines and

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DAILY BRIEF

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hydrocarbons, will attend the meeting and that he and Tariki will advocate joint action aimed at forcing the oil companies to rescind the recent price cuts for Middle East crude oil. Perez and Tariki have long advocated a scheme of government-controlled world-wide sharing of markets and price maintenance, but until the recent price cuts they were unable to win any important support from other Persian Gulf countries. [redacted] (Page 2)

[redacted] Iran: The demonstration by Iranian nationalist students in Tehran on 1 September was easily broken up by police. Army units had also been alerted to be ready to move against the demonstrators if necessary, and SAVAK, the Iranian National Intelligence and Security Organization, had warned the nationalists not to hold the planned demonstration as it might be exploited by Communist elements. Meanwhile, newly "elected" members of parliament are resigning to clear the way for another round of elections, following the Shah's order. Opposition elements reportedly are elated by the prospects of new elections. [redacted]

no

[redacted] Malagasy Republic: Parliamentary elections in the Malagasy Republic (Madagascar) on 4 September will be the first important test of strength between President Tsiranana's pro-Western coalition government and the Congress party for the Independence of Madagascar (AKFM), an extreme nationalist party dominated by militant Communists. Although tribal rivalry and the republic's attainment last June of independence within the French Community should benefit the moderate parties, the AKFM appears to have attracted wide support since its strong showing in municipal elections last fall. The AKFM is well organized and reportedly has been receiving substantial financial support from the French Community Communist party and the Sino-Soviet bloc. [redacted]

no

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*Congo: Moscow announced on 2 September that 10 of the 12 IL-14 transports which recently arrived in Stanleyville with food cargoes will be used for "internal transportation" in the Congo. The vagueness of the announcement, together with the alteration of the transports' Soviet markings after they had transited Greece, strengthens the prospect of considerable concern to Hammarskjold that they will be used for transporting Lumumba's troops in a campaign against Katanga. In addition, five Soviet AN-12 large turboprop transports were en route to Cairo on 2 September.

at least one of these transports will continue to the Congo and that the consulate had issued visas for 83 persons aboard this aircraft.

The American ambassador in Leopoldville believes it is increasingly clear that the many incidents involving Canadian signal teams and US and Indian aircrews comprise a well-directed effort to strike at the UN communications network.

Internally, Lumumba's arrest of Jean Bolikango for his role in an alleged antigovernment plot will seriously weaken the opposition by removing one of the most influential of the potential successors to the premier. Lumumba's forces have engaged in heavy fighting in Kasai Province with secessionist tribal elements and reportedly have suffered at least eleven dead and many wounded.

(Page 3)

III. THE WEST

Peru-Cuba: Peru is considering breaking relations with Cuba. President Prado, under pressure from the Peruvian military, has agreed in principle to this move when the time is propitious and particularly if other Latin American countries take similar action. Guatemala and Nicaragua broke relations with Cuba earlier this year. Colombia, which is incensed by a recent vitriolic outburst by the Cuban ambassador in Bogota, will

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probably at the least declare him persona non grata. Venezuelan President Betancourt, who has become increasingly hostile toward Castro and is concerned by the threat of pro-Castro violence to his regime, also seems to be nearing a break. [REDACTED] (Page 5)

LATE ITEMS

*Laos: [REDACTED] The Souvanna government was sworn in on 2 September in Vientiane, thus completing constitutional requirements for formal investiture. Notably absent from the ceremony was Interior Minister General Phoumi, who will apparently remain in Savannakhet until satisfied that he can safely return to Vientiane. No changes in troop dispositions in and around Vientiane have been reported, suggesting that Captain Kong Le, whose grudging acceptance of the new cabinet was obtained by Souvanna on 31 August, in effect still controls the capital. Although there has been no clear-cut response to Premier Souvanna's appeals to the Pathet Lao insurgents for early peace talks, a 2 September Pathet Lao broadcast urging "Laotian youths" to oppose the "traitorous Phoumi clique" suggests the Pathet Lao is not disposed, for the moment at least, to negotiate with the Souvanna government. The broadcast may also indicate that the Pathet Lao still hopes that Kong Le can be influenced into reasserting his opposition to the Souvanna government. [REDACTED]

[REDACTED]

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DAILY BRIEF

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*Cuba-Communist China: In the most vindictive attack on the United States of this decade, Fidel Castro defiantly announced on 2 September Cuba's intention to establish diplomatic relations with the Peiping regime. In a speech billed as the answer of the "Cuban people" to the OAS warning against accepting Sino-Soviet bloc support, Castro in effect withdrew his country from the inter-American system and from the Western alliance. A staged rally of some 300,000 Cubans gave its endorsement to Castro's acceptance of Chinese, as well as Soviet, military aid "if we are attacked."

Communist China, which has devoted a considerable propaganda effort to Latin America in recent years, has achieved a major diplomatic breakthrough in securing its first diplomatic recognition in the Western Hemisphere. Cuba, with a Chinese community of about 30,000--the largest in Latin America--will be a particularly valuable base for the Chinese Communists in spreading their influence in Latin America.

Castro's announcement follows by four days the signing of a joint statement by Cuba and North Korea in which they agreed to exchange ambassadors "as soon as possible." Cuba will be the first non-bloc country to establish diplomatic relations with Pyongyang.

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DAILY BRIEF

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Arabs Plan ~~Secret~~ Oil Talks

A meeting of key oil officials of Arab states is being arranged in an unusual atmosphere of secrecy for 10 September in Baghdad. [redacted] Juan Perez Alfonzo, Venezuelan minister of mines and hydrocarbons, will attend the meeting, and that he and Saudi oil boss Tariki will advocate joint action aimed at forcing the oil companies to rescind the recent price cuts of from 4 to 14 cents a barrel for Middle East crude oil.

It appears likely that in addition to Venezuela, Saudi Arabia, and Iraq, representatives from Kuwait, Qatar, Bahrein, the UAR, and very probably Iran will attend the meetings next week. The meeting probably was sparked by the Ruler of Kuwait, who asked Tariki following the price cuts to call an emergency protest meeting of Arab states.

Perez and Tariki have long advocated a scheme of government-controlled world-wide sharing of markets and price maintenance, but until the recent price cuts they were unable to win any important support from other Persian Gulf countries. It is not at all certain that Tariki has official government sanction for his scheme, nor that Perez would be able to convince Venezuelan President Betancourt to commit his government.

Despite the surface impression of Arab-Venezuelan-Iranian unity of interest in the pricing question, there are deep economic and political divergencies which would tend to make such an arrangement a practical impossibility. Venezuela believes it would slow the rate of growth of Middle East production and increase its own rate of growth. Most Arabs see a partial solution to the problem in cutting back Kuwaiti output and greatly slowing down any future increases. Venezuela now ships about 358,000 barrels a day of petroleum to Europe, which the Arabs consider their natural market. Iran, on the other hand, believes that production in all Arab countries is disproportionately high, and its own output unrealistically low. In addition, the oil companies would oppose such a scheme.

In view of the still secret nature of the 10 September meeting, any agreement reached there may be held confidential until the Arab League - sponsored petroleum congress meets in Beirut in early October when representatives of all the companies operating in the Middle East and some in Venezuela will be assembled. [redacted]

[redacted]

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Situation in the Congo

Moscow announced on 2 September that ten of the twelve IL-14 transports which recently arrived in Stanleyville with food cargoes will be used for "internal transportation" in the Congo. The vagueness of the announcement, together with the alteration of the transports' Soviet markings after they had transited Greece, strengthens the prospect--already of considerable concern to Hammarskjold--that they will be used for transporting Lumumba's troops in a campaign against Katanga. [redacted] In addition, five AN-12 turboprop transports were en route to Cairo on 2 September. [redacted]

[redacted] at least one of them will continue to the Congo and that it had issued visas for 83 persons aboard this aircraft. [redacted]

The American ambassador in Leopoldville believes the many incidents involving Canadian signal teams are part of a well-directed effort to strike at the UN communications network by provoking Canada to withdraw its technicians. In addition to the attacks on Canadians at the airports of Leopoldville and Stanleyville, Congolese soldiers in Kasai have terrorized a Canadian radio technician working for the Congo Government.

Internally, Premier Lumumba has probably dealt a serious blow at opposition chances of replacing him by arresting Jean Bolikango, leader of the Bangala tribesmen in the Congo's northwest province of Equateur. Bolikango was accused of plotting to establish a separate state in the northwest Congo, and several of his followers were charged with planning to kill Lumumba and President Kasavubu. He has been frequently mentioned as a possible successor to Lumumba, and intelligence reports have connected his name with plots to eliminate Lumumba and his pro-Communist sympathizers.

Lumumba's forces in Kasai Province, despite superior arms, have not yet defeated Baluba tribal supporters of the secessionist "Mining State." [redacted] at least eleven Lumumba troops have been killed and many

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wounded. There is no reliable information as to the status of several contested towns, but the UN reported on 2 September, according to press reports from Leopoldville, that at least 270 persons have died in the heavy fighting in Kasai. In the neighboring province of Katanga, a trainload of Belgian-armed "volunteers" was being rushed to the frontier to repel an expected Lumumba invasion. The commander of the Katanga forces in Elisabethville stated that the border guards expected to receive two new shipments of modern arms within the next two days from Belgium.

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Peru Considering Breaking Relations With Cuba

Peru is considering breaking relations with Cuba, apparently to recoup some of the prestige it lost through Foreign Minister Porras' actions at the seventh meeting of foreign ministers in San Jose. After Peru had initiated the meeting, Porras failed to take the lead in promoting the resolution against extracontinental intervention in the hemisphere, defied his government's instructions, and finally refused to sign. President Prado, under pressure from the Peruvian military, has agreed to this move when the time is propitious, and particularly if other Latin American countries take similar action. Guatemala and Nicaragua broke relations with Cuba earlier this year. Colombia, which is incensed by a recent outburst by the Cuban ambassador in Bogota, will at least declare him persona non grata. Venezuelan President Betancourt, who has become increasingly hostile toward Castro and concerned by the threat of pro-Castro violence to his regime, also seems to be approaching a break.

Prado is reluctant to force the resignation of Porras, a friend of the leftist but non-Communist APRA party, for fear of alienating the APRA's general backing of his administration. The cabinet unanimously censured his actions at San Jose, and the military representatives are insisting on his ouster.

APRA, a bitter enemy of the Peruvian military and conservative elements, has tended to sympathize with the objectives of the Cuban revolution; a dissident and militant wing of the party is strongly pro-Castro. However, Ramiro Priale, APRA's top leader in Peru, who advised Prado that the party would accede to a break of relations with Cuba, has informed the US Embassy in Lima that it will not withdraw its support of Prado in the event Porras resigns--presumably voluntarily.

Porras' position at San Jose was similar to that of Venezuelan Foreign Minister Arcaya, a staunch supporter of Castro, who refused to sign the final resolution of the meeting which was approved by his government. This development has caused considerable tension in Venezuela, where pro-Castro groups are strong, and could threaten President Betancourt's three-party coalition.

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